

## FINANCE COMMITTEE

### MINUTES

The Finance Committee of the City of Willmar met at 5:15 p.m. on Thursday, September 19, 2019 in Conference Room No. 1 at the City Office Building.

Present:	Audrey Nelsen	.....	Chair
	Rick Fagerlie	.....	Member
	Andrew Plowman	.....	Member
	Julie Asmus	.....	Member

Others present: Finance Director Okins, Fire Chief Frank Hanson, and David Euerle of Westberg & Eischens.

#### **Item No. 1**      **Call to Order**

The meeting was called to order at 5:15 p.m.

#### **Item No. 2**      **Public Comments**

There were no Public comments.

#### **Item No. 3**      **Recommended Action Items for the Council**

##### **Fire Department Vehicle Replacement – (Motion)**

The current Fire Department Pickup, which is a 2011 Dodge Ram, has a mechanical issue of a blown lifter causing the truck to run on only seven cylinders. The mechanics at the City Garage stated that it would cost approximately \$1,700 to \$2,000 to fix. In speaking with Mill's Ford, they stated that this is a very common issue with this pickup and that parts are back ordered currently. When speaking with Schwieter's Chevrolet, they stated that they would give us a trade in value of \$14,000 as is and \$15,000 if the issue was fixed. It was staff's recommendation not to spend the money on the repairs. If Council chooses to wait until next year to replace and trade this pickup in, the trade in value will decrease by \$3,000 to \$5,000.

Two quotes were received for a 2020 Chevrolet Tahoe: one from Schwieter's of Willmar for \$40,100 less trade in for a net vehicle price of \$26,100; and the other quote was via the State Contract which was \$37,658 with no trade in option. Other expenses that need to be added include: Graphics for \$900, Emergency Lights and install of equipment \$1,000, and miscellaneous items \$2,000. Using the Schwieters quote the total cost would be \$36,000. Since this is unbudgeted for this year, it is proposed that the funds would come from unspent monies from 2019 CIP projects.

It was then moved by Councilman Plowman, seconded by Councilman Asmus to recommend that the new 2020 Chevrolet Tahoe be purchased through Schwieter's of Willmar for \$26,100, with the total cost of \$36,000 after adding on the other required equipment.

##### **Adopt Revised Purchasing Policy - (Resolution)**

Staff presented the proposed Purchasing Policy which was updated to reflect Minnesota State Statute 471.345 – Uniform Municipal Contracting Law. This Statute was changed in 2018 to address the cost of inflation since 2008. The recommendations would basically change the policy to follow MN Statute 471.345. This way as the State changes the Statute the policy would automatically change and the Council would not have to take action to amend. It was noted that the limits have not changed.

It was moved to recommend by Councilmember Asmus, seconded by Councilmember Plowman to introduce a Resolution to adopt the revised Purchasing Policy as presented.

**Item No. 4      Discussion Items by the Committee**

**Review 2018 Audit Presentation**

David Euerle, Auditor Westberg & Eischens, presented the 2018 Audit to the Committee. He noted that since 2014, the City has been spending down fund balances in the General Fund and the Capital Improvements Fund. As of 2018, the fund balance was approximately 80% of the 2019 Budgeted Expenditures. Other items reviewed were the General Fund Balance Classifications of \$166,609 of Nonspendable and \$12,857,239 of Committed, the Fund Balance of the Community Investment Fund, the Governmental Activities Outstanding Bonds, the Waste Treatment Fund Revenues, Expenditures and Operating Income, Investments Maturities, Summary of Budget Overages and the Governance Communication Letter.

Items pointed out in the Governance Letter for future discussion were the Level of Budgetary Control and the process for amendments, Fund Balance Policy action and Investment Policy action to specifically address interest rate risk. These items will be discussed and addressed at future meeting when these Policies and Budget are reviewed.

**Review Fund Balance Policy**

The City Fund Balance Policy was submitted to the committee for their annual review. Since the committee procedure is to receive policy documents at one meeting for action at a future meeting, this Policy will be placed on a future agenda for any committee proposed revisions.

**Review Mayor's 2020 Budget**

Staff reviewed the Mayor's 2020 Proposed Budget Powerpoint presentations as well as all Fund recap sheets which contain Fund descriptions and totals of Fund Balances, Revenues and Expenditures not only for the proposed 2020 year but also for the current Year Budget and two prior year actuals as well. Also discussed was the upcoming Special Meeting on Thursday September 26<sup>th</sup> where the full City Council will be invited to set the Preliminary Levy.

**Meeting Calendar**

The committee reviewed the upcoming Meeting Calendar. Special dates that were pointed out were Thursday, September 26 with the full Council invited to discuss setting the Preliminary Tax Levy and Thursday, November 21 again with the full City Council and Mayor invited to discuss the final Recommended Budget to be presented at the Truth-In-Taxation Hearing set for December 2<sup>nd</sup> at 7:01 p.m. Also mentioned was that the committee will be reviewing sections of the Proposed Budget at all future meetings until the November 21<sup>st</sup> meeting.

There being no further business to come before the Committee, the meeting was adjourned at 6:50 PM by Chair Nelsen.

Respectfully submitted,

Steven B. Okins  
Finance Director